

FISCAL NOTE

Bill #: HB 120

Title: Revise reclamation grant fund use

**Primary
Sponsor:** Roy Brown

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:	0	0
Revenue:	0	0
Net Impact on General Fund Balance:	0	0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
X		Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. Unamended 90-2-1113, (2) (a), MCA, provides for the Board of Oil & Gas Conservation to continue receiving \$600,000 of priority reclamation and development grant funds each biennium for oil and gas reclamation projects.
2. The Board of Oil & Gas Conservation currently expends the entire \$600,000 biennial appropriation for oil and gas reclamation projects.
3. Upon passage of this legislation, the Board of Oil & Gas Conservation will continue to spend the entire \$600,000 each biennium, with about \$7,500 each fiscal year being spent on personnel costs and operating expenses associated with oversight of the projects.
4. Paying for direct personnel costs and operating expenses associated with project oversight out of grant funds would reduce the amount otherwise available to pay reclamation contractors.

(continued)

5. These oversight costs have previously been supported with production damage mitigation account funds due to the statutory restriction on use of priority grant funds for reclamation projects only.
6. In fiscal year 1998, the board expended \$5,783 out of the production damage mitigation account for personnel costs and operating expenses associated with priority grant project oversight (\$5,298 for personnel and \$485 for operating).
7. The fiscal impact shown below is in regard to use of the grant funds only.
8. This proposal is included in the Executive Budget for the 2001 biennium and will be recommended as language authority not to exceed \$7,500 per year from the \$600,000 of reclamation and development grant funds appropriated in HB7.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
FTE	0	0
<u>Expenditures:</u>		
Personal Services	\$6,500	\$6,500
Operating Expenses-Contracted Services	(7,500)	(7,500)
Operating Expenses-Communications/Travel	<u>1,000</u>	<u>1,000</u>
TOTAL	0	0
<u>Funding</u>		
State Special Revenue (02)	0	0
<u>Revenues:</u>		
State Special Revenue (02)	0	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	0	0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

None